

Class dynamics of development: a methodological note

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CLASS DYNAMICS OF DEVELOPMENT: A METHODOLOGICAL NOTE

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Abstract

This article argues that class relations are constitutive of developmental processes and central to understanding inequality within and between countries. In doing so it illustrates and explains the diversity of the actually existing forms of class relations, and the ways in which they interplay with other social relations such as gender and ethnicity. This is part of a wider project to re- vitalise class analysis in the study of development problems and experiences.

1. Introduction: Researching Class

This special issue argues that class relations are constitutive of developmental processes and central to understanding inequality within and between countries. In doing so it illustrates and explains the diversity of the actually existing forms of class relations, and the ways in which they interplay with other social relations such as gender and ethnicity. This is part of a wider project to re- vitalise class analysis in the study of development problems and experiences.

This article serves as a methodological introduction to the issue, where we outline our thoughts on conducting class analysis. Such analysis consists of the application of class-relational concepts and categories to explain real world

development processes. This article is organised as follows. In the remainder of this section we introduce our overall approach to class analysis. Section two outlines how our class-relational approach to development is rooted in the identification of capitalism's core dynamic as the (re)production of surplus value as. Section three discusses how, and considers the analytical implications of the recognition that, class relations exist within and between classes in a variety of forms. Section four argues, in distinction to so much of contemporary development literature, that class dynamics are at the heart of developmental processes, whether micro or macro in scale. Section five focuses in particular on labouring class struggles and their variety of forms. Section six closes the article by identifying ways in which contemporary historical processes can be interpreted as, in essence, class dynamics of development.

Authors of the eight papers included in this special issue have all been part of the Historical Materialism and World Development Research Seminar (HMWDRS).ⁱ Through nearly a decade of collective academic engagement, we have developed a shared understanding of class rooted in historical materialism, which has been explored through our individual study of diverse historical and geographical cases. This shared theoretical foundation has allowed researchers based institutionally in a variety of disciplines to work together: including in anthropology, business and management, development studies, economics, geography, history and politics. We also share a commitment to careful empirical work, in a wide range of regions, time periods and sectors. In analysing class dynamics in development in historically and socially specific situations, either through fieldwork or archival research, members of the HMWDRS have faced the common challenge of operationalising a class-analytical methodology.

Our frame of reference is Marx's method, which he described as one 'of rising from the abstract to the concrete' and the understanding that the 'concrete is

concrete because it is the concentration of many determinations, hence unity of the diverse' (Marx 1993: 101). The identification of 'abstract' and 'concrete' does not denote 'theory' vs 'empirical'. It signifies, rather, the importance of utilising *general* concepts and categories ('capitalism', 'class', 'surplus value') to identify and analyse *particular* social forms (for example, the corporation, processes of local class formation, the nature of the Brazilian and Indian states, and so on). Put slightly differently, by 'concrete' we do not mean the empirical but a greater level of conceptual specification that reflects the diverse phenomenal forms of social relations.ⁱⁱ

The general and the particular are not discrete: in terms of method, the abstract and the concrete are always in interplay. In this way we do not expect the same logic – e.g. exploitation of labour to extract profit – to take the same form in different times and places, although we do think that the global system of capitalist competition has 'gravitational tendencies' (Shaikh 2016: 5) that organise and shape diverse social relations around the profit motive. The rest of this section outlines our analytical approach through four core interrelated points, which we elaborate further through the rest of this introductory article. These are i) that class relations are located in exploitative social relations of production, while extending beyond the production process. ii) that class is a relational and multidimensional concept; iii) that classes have agency; and iv) that class is understood world-historically.

First, Classes are conceived here as arising out of the exploitative social relations of production in a commodity-producing society. As Jairus Banaji (2010) points out, Marx used the phrase social 'relations of production' as the expression for all economic relationships in the whole circuit of capital. These social relations are not, therefore, reducible to the point of production.ⁱⁱⁱ From our class-relational perspective, production is not merely a technical relationship between inputs and

outputs, but rather a conflictual process in which work is supervised, directed and controlled by the capitalist to ensure that the capacity to work is realised (Knights and Willmott 1990; Fine 1998). Exploitation is central to class relations, and in capitalist society it takes place, *in essence*, between capital and wage-labour (Marx 1973: 100-108; Croix 1981; Wood 1995; Bensaïd 2002). This occurs when surplus-value is extracted from labour during ‘surplus labour time’, which is that part of the working day when the labourer no longer works for her own reproduction.

Exploitation presupposes the existence of wage labour relations, the social division of labour, capitalist competition, and, crucially, social reproduction. Unpaid work performed largely in the domestic sphere including the nurturing of children, the refuelling of labouring bodies, and caring for sick workers is integral to the process of exploitation, and is largely carried out by women and girls (Gooptu and Harriss-White 2001). Class, in other words, is a complex concept constituted by ‘many determinations’ within the whole array of social relations.^{iv}

Our class-relational approach stands in contrast to stratification-oriented perspectives, which are based primarily on the measurement and comparison of the material conditions of labour in isolation from the process of exploitation (Wright 2009). It also differs from a ‘semi-relational’ Weberian approach to class. The core distinction, for us, is that Weber was more concerned than Marx with how control over productive assets shaped life chances than with how they ‘structure patterns of exploitation and domination’ (Wright 2005, 25; see also Breen 2005, 33-34). While, like Marx, Weber saw the distribution of property as a fundamental determinant of class relations, he maintained that ‘class situation’ was ‘ultimately market situation’, and was

internally differentiated by asset levels and skills, rather than exploitative social relations (Weber 1987, 927-9).

Second, we understand class as a relational and multifaceted concept (Wood 1995; Bensaïd 2002; Wright 2009). As E. P. Thompson (1966: 357) put it:

‘Class is a social and cultural formation (often finding institutional expression) which cannot be defined abstractly, or in isolation, but only in terms of relationships with other classes’.

The multi-faceted character of classes are formed in and through processes of competitive capital accumulation, and the antagonistic relations through which capital and labour shape and resist processes of accumulation and exploitation. These social interactions take place at different registers, meaning that classes are formed, interact and are reproduced *through relations with each other on* global, national, regional and local scales.

Whilst we see class relations under capitalism as being defined primarily by the production of surplus value, we emphasise how really existing class relations need to be understood with reference to other ‘relations of dominance and subordination’ (Hall 1980: 325). Gender and race are in part discrete from class, and in part mutually constituted with it (see Mezzadri this volume on gender and class; Pattenden this volume on caste and class; Webber this volume on ethnicity and class). This means that class analysis should not be used to reduce gender or race to ‘economic’ categories as both have aspects that are discrete from class (see Mezzadri this volume). Recognising that class relations articulate with cultural and social as well as political and economic dimensions enables our

purpose of exploring the diverse and open-ended modes of existence of class relations, and explaining why classes take particular historical forms (James 1989; see also all contributions in this volume).

Third, classes have agency. In ways that are elaborated upon in this special issue, capitalists and workers *both* shape the relations between them, whether in terms of the geographies of production (where and why production takes place where it does), or processes of socio-technological change (what tools are used and what management techniques are deployed in production), or the actual forms of the labour process. The social relations of work cannot be ‘read off’ from the structure of capitalism: similar patterns of production and labour exploitation are met by different types and degrees of class response in different places (Koo 2001; Page no.). While surplus value is extracted from labour within the production process a focus on the employment relation is not enough to understand the full range and social complexity of class.

Fourth, class is a world-historical totality constituted through multiple scales. By recognising that classes are formed, relate and are reproduced through multi-scalar dynamics of capital accumulation, we eschew ‘methodological nationalism’. Rather, we emphasise the role of the state as an important (but certainly not only) determinant in the formation of classes and their reproduction, whether macro-regionally, sub-nationally, ‘locally’, or at the level of the household. How relations of production actually operate and are expressed is, therefore, to be understood empirically within particular social and historical developments, including state intervention (Thompson 1963; Wood 1995; Bensaïd 2002).

Class understood in the way sketched here helps us to analyse, illuminate and explain the specificity and complexity of social formations, particularly in the

Global South. The purpose of this research project is therefore not only to bring class back to the study of world development, but also to re-establish the depth and complexity in the concept of class present in Marx's method (Haldon 1993; Anderson 2010).

2. The (Re)Production of Surplus Value

A first step in analysing class in Marx's method is to identify and define historical epochs according to the production and extraction of economic surpluses (and under capitalism, of surplus value). Of course, *historically* there are a multiplicity of forms of actually-existing class relations reflecting dynamic social complexity. Nevertheless *analytically* our starting point is that capitalism can be defined in relation to the essential dichotomy of the two major classes. They are divided by the central antagonism in capitalist society over the production and appropriation of surplus-value – with all of its 'heat' and 'thundering noise' (**Need Ref to Quote**)..

Michael Lebowitz captures a core feature of this antagonistic relation by suggesting how 'while for capital, the value of labour-power is a means of satisfying its goal of surplus value...for the wage-labourer, it is the means of satisfying the goal of *self-development*.'^v On the one hand are those people, the capitalists, who own or control the means of producing social wealth; and on the other hand are those who need to sell their labour power to capitalists in order to secure their livelihoods. It is in the 'hidden abode of production' (Marx 1977: 279) that this essential class relation is crystalised.

At the level of the social totality of enterprises ('capital in general') surplus-value is produced through the labour process in generalised commodity production.

This is undertaken by the collectivity of ‘productive’ workers^{vi} – in the strict sense of those producing surplus value – where surplus-value is the realisation of the unpaid (‘alienated’) labour embedded in a commodity. The commodity itself must possess both use and exchange values and the surplus value contained within it is appropriated by the collectivity of capitalists (Marx 1976). The concomitant class antagonism between owners of capital and sellers of labour-power is typified by the employer-employee relation. However, ‘free’ wage labour is not the only basis for the appropriation of surplus-value (Rioux 2013). A multiplicity of forms of exploitation can (and do) exist under historical capitalism (Banaji: 2010). What matters most to us here – and what makes relations of production specifically *capitalist* – is its never-ending drive to accumulate and expand.

Labour process theory is a leading approach to understanding forms of exploitation, and how they vary over time and space (Braverman 1974/1998; Brighton Labour Process Group, 1977; Burawoy 1985; Kelly 1985). A key insight of this theory is the fundamental *indeterminacy* of labour power: the extent to which labour power is extracted cannot be determined prior to the labour process (Knights and Willmott 1990; Smith 2006; and Thompson and Smith 2009). The workplace is a site where management applies particular strategies of control and workers resist. These struggles simultaneously reflect and contribute to broader societal class dynamics (Miyamura; Pattenden, Selwyn, all this volume). For example, variations between piece-rated wage-labour and daily-rated wage-labour have implications for the intensity of the labour process, the extent of the working day, the way in which labour is managed, and relations among workers, as well as forms of and the scope for class action (Kapadia 1995; Pattenden this volume).

The interlocking of labour relations with debt relations is, for example, a particularly prominent way of accessing labour-power and keeping labour in particular places (Breman and Guerin 2009). Forms of intermediation through labour brokers/subcontractors allow capital to maintain ‘remote control’ or perpetuate informality by sidestepping labour legislation (Hensman 2011). Within production processes, rates of exploitation are often gendered with women paid less for similar tasks to those carried out by men, while ‘male labour tasks’ may be more rapidly and extensively mechanised than ‘female tasks’ (Hart 1986; Van der Loop 1996).

Class dynamics extend beyond the moment of production, and play out in the circulation of capital and through social reproduction. While surplus-value is ultimately based upon surplus labour time expended in the labour process, it is also appropriated outside the workplace and redistributed among a range of class actors including bankers, traders, landowners, capitalist managers and shareholders. Moreover, merchant, commercial and financial capital in practice may control and subsume production (Harriss-White 2003; Banaji 2010). Therefore, the distinction between spheres of production and circulation is merely an analytical step, rather than an immediate empirical tool to identify classes. It follows from this that accusations of a ‘productivist bias’ are based on a major misconception of Marxist political economy (although, alas, not in all cases!).

The circuit of capital incorporates the sequence of relations wherein means of production (machinery and inputs) and labour power are brought together by capitalists, value is produced by labour and realised through exchange, and the circuit returns to ‘its original qualitative starting form’ (Hudson 2008: 423, see also 436). However, through this process there is now a quantitative augmentation of value that is now the property of capitalists (surplus-value). As Marcus Taylor notes:

Through the circuit of capital ... each singular act of production enters into a disciplinary feedback loop with the social whole [capital in general], through which it must be socially validated by way of the sale of commodities (2007: 536).

Of course, this does not imply a mechanical return to the *exact* same point or even guarantee the re-initiation of the circuit. The starting point can never be the same quantitatively because, for example, of the *exploitation* of people as labouring bodies and the effect of this process on physical and mental health; the *transformation* of material things as means or conditions of production (e.g. natural resource depletion, depreciation of fixed capital); and *class struggle* in the circuit either by labour for a greater share of the surplus-value (e.g. in the form of wages or improved working conditions) or, conversely, by capitalists to increase their rate of profit by exploiting workers more intensively and/ or extensively (e.g. through longer working hours) and/ or immiserating them (by pushing wages down).

The appropriated surplus-value may be used in a number of ways, including: to re-initiate the circuit to a greater spatial extent or intensity to extract a relatively greater rate of profit and/ or compete with other capitalists (e.g. capitalist innovations in relative surplus-value production such as new techniques, technologies and/ or forms of organisation); as a consumption fund for capitalists; to enable a shift to a new realm of production (start a new circuit based on a different commodity); and to absorb competitors (e.g. mergers and acquisitions).

The identification of the extraction of surplus-value in the immediate process of production, and its realisation, appropriation and distribution in circulation illuminates how capitalism is constituted through and by class struggles at and beyond the point of production (Harvey 1989). The political implication of conceiving of class relations as based upon the (re)production and extraction of

surplus value is to highlight an essentially antagonistic dimension of these relations. The identification of such antagonistic relations explain how struggles from above (by employers, often supported by states) to secure surplus value extraction, and from below against particular forms of exploitation and for the betterment of workers' conditions, are constitutive elements of the historical expansion, intensification and transformation of capitalism. (Croix 1981: 43-44). We turn now to address in more detail the multi-layered and cross-cutting dynamics of class relations and struggles.

3. Inter and Intra-class relations

A relational and multi-dimensional conception of class illuminates a broad range of social relationships within and between labouring and capitalist classes. While relations between capital and labour are essentially antagonistic, based upon surplus value production and appropriation, relations *within* these classes can be both collaborative *and* antagonistic. Capitalists compete bitterly against each other to accumulate but they also cooperate and collude to enhance the conditions of accumulation. Where an individual enterprise's ability to maintain or enhance the extraction of surplus value is threatened, it may revert to association with other enterprises, whether at the scale of a particular industry, sector, 'national economy', macro-region (e.g. the EU) and/or internationally (e.g. the WTO).

Despite the mutual hostility born of competition, by associating capitalists work through the state (or equivalent legal authority) against the articulations of class positions by labour around issues such as wealth redistribution (e.g. progressive tax reform and social policy) or political representation. Association among a wide range of capitalists is particularly prevalent in support for regressive taxation, and the deregulation of finance and labour markets (to increase the rate

of exploitation), and in opposition to measures that might reverse any of these (such as the ‘cost’ of maternity pay).

Class locations, functions, and relations are often multidimensional. Through careful analysis it is possible to identify how such multidimensional relations can be embodied in one organisation. For example, a capitalist enterprise can simultaneously assume different class functions, such as giant supermarkets which, depending on one’s own positionality, can assume the roles of modern landed property vis-à-vis supplier firms, productive capitalist vis-à-vis direct employees, and banker vis-à-vis customers holding a bank account. This logic can be extended to an individual labourer who also works as a self-employed petty commodity producer who provides his own capital and exploits his own labour, and often that of his family (more on this below).

At the level of individual enterprises (‘many capitals’) we enter the realm of competition over the *distribution* of surplus value (Marx 1981). The decomposition of surplus value into the abstract categories of industrial profit, interest, ground rent and ‘gains made through trade’ (Marx 1981: 709) helps us to think through the terrain of struggle among capitalists over value.^{vii} As is recognised by most theories of capitalism, competition is a major driver of change, but for most of these theories capitalist competition is an idealised abstraction (Palermo 2016; Shaikh 2016). For Marxist political economy, real-world competition between and among, for example, productive capitalists, bankers, landed property and commercial capitalists is over the appropriation of portions of value.^{viii} These decomposed categories of surplus are not independent sources of value. For example, ownership of land or a brand does not *create* new value, it represents a competitive *redistribution* (Harvey 2006; Christophers 2010) based upon the ‘class function’ of modern landed property and the capturing of value in the form of ground-rent (Neocosmos 1986).

In this collection, the term labouring class(es) indicates the manifold social and spatial segmentations of labour, and the many forms of its reproduction, while underlining a shared position as members of the exploited class. It refers to ‘the growing numbers...who now depend - directly and indirectly - on the sale of their labour power for their own daily reproduction’.^{ix} In the ‘conditions of today’s ‘South’ they ‘have to pursue their reproduction through insecure and oppressive - and typically increasingly scarce - wage employment and/or a range of likewise precarious small-scale and insecure ‘informal sector’ (‘survival’) activity, including farming; in effect, various and complex *combinations* of employment and self-employment’ (Bernstein 2008, 5). This formulation is taken from Bernstein’s (2006) conception of ‘classes of labour’, which we find useful for three reasons. Firstly, it points to the scarcity of work, which indicates the presence of a reserve army of labour that ‘disciplines and disempowers those in work, discouraging them politically from struggles over the distribution of wages and profits’ (Harriss-White 2005:1243). Secondly, it points to the often oppressive, insecure, and informal nature of labour relations, thereby flagging poor working conditions and state collusion with capital in keeping labour relations predominantly unregulated in order to lower labour costs and increase competitiveness (Harriss-White 2010). Thirdly, as noted, it captures the segmentation of labourers across multiple sites of production while underlining their shared position as members of an exploited class.

Labouring classes are not only segmented by gender, race, and ethnicity, but also by location, sector, task and wage, skill level, and type of contract. and by whether or not they remain in a place or pass through it. The spatial segmentation of labouring classes is increasingly significant because many, and in some countries most, labouring class households now reproduced themselves across a number of locations. Many combine wage-labour with various types of self-employment,

either permanently or periodically as the availability of wage-labour shrinks and more workers are chasing fewer jobs. Petty commodity producers occupy a continuum of positions that straddle the capital-labour divide (see Dinler, Perez-Nino this volume). Some may buy labour-power relatively often, and tend to produce small surpluses, and so are in the process of becoming petty capitalists (not in a linear or predictable way). Others combine petty forms of self-employment with selling their labour-power, so positioning themselves within the ranks of the labouring class. Which predominates in a given context, and the numbers of households that reproduce themselves purely with household labour, are empirical questions to be pursued across a range of social settings (see Dinler, Perez-Nino, this volume).

4. Development: Class Formation, Domination, Conflict

One of the objectives of our contribution in this article and the special issue is to illuminate how evolving class relations and development processes are globally constituted. Capitalist competition and class struggle have shaped the globalization of value-relations, contributing to class formation and shaping development processes and experiences within and between countries. This process has involved colonisation, force and slavery (Shaikh 2016, 759; Wolf 1982), and a transfer of wealth towards rich countries and the wealthy within poorer countries. The ‘gravitational pull’ of capitalist competition drives three trajectories of historical capitalism: (i) extensive development into new geographies, (ii) intensive development through the commodification of new realms of human and non-human life, and (iii) the mass appropriation of unpaid work and energy from humans and non-humans (e.g. forests, geo-physical

formations, soil) upon which the circuit of capital and labour productivity depend but do not value (Fine 1994; Moore 2015; Palermo 2016).

In the context of these trajectories our starting point is that class conflicts are *constitutive of* capitalist development, in particular in the formation of employable/exploitable workforces. Marx's analysis in *Capital* Volume 1 of the expropriation of the English peasantry from the late fifteenth century onwards demonstrated how large-scale, long-term and coordinated struggles from above (waged by the English state and the emerging capitalist landlord class) were the precondition for systematic competitive capital accumulation. The dispossession of the peasantry was necessary in order to establish a large pool of 'free' wage labourers. During the sixteenth and seventeenth centuries, Europe-wide witch-hunts were one of the most dramatic elements of the (re)production of patriarchy, which systematically excluded women from waged-work, deepened their legal subordination to men, and subjugated their bodies 'into a machine for the production of new workers' (Federici 2004, 12).

Class-relational political economy can illuminate and explain how class struggles are central to development processes. For example, Robert Brenner (1977: 78), in analysing the break-down of European feudalism in the fourteenth and fifteenth centuries, argues that we can comprehend the varying agrarian transitions and political economic regimes that emerged from it only as 'the outcome of processes of class formation, rooted in class conflict'. He demonstrates how the English peasantry resisted the seigniorial reaction, thus killing off feudalism, while in Prussia the opposite occurred, with the enserfment of what had previously been one of the freest peasantries in Europe.

Despite the importance of this line of argument, class-relational political economy must be wary of methodological nationalism and should not rely solely on either 'internalist' or 'externalist' explanations. Both Brenner and Maurice Dobb (1946) before him declined to situate their accounts of the transition to capitalism in the context of worldwide processes of the development of the world

market, colonial produce trades and generalised dynamics of appropriation of unpaid work and energy from humans and non-humans (Moore 2015). As Marx wrote so vividly in *Capital*:

The discovery of gold and silver in America, the extirpation, enslavement and entombment in mines of the aboriginal population, the beginning of the conquest and looting of the East Indies, the turning of Africa into a warren for the commercial hunting of black-skins, signalled the rosy dawn of the era of capitalist production. These idyllic proceedings are the chief moments of primitive accumulation (Marx: 1990, 915).

At the same time, explaining the emergence of the capitalist world system by the global expansion of the ‘law of value’ (Amin 1993) or the pre-existence of a world market (Sweezy 1950) is equally unsatisfactory, as these kinds of explanation fail to actually explain the initial formation (before its global expansion) of a socio-economic system organised around surplus value production and extraction.

Both versions of the ‘transition’ debates, as well as the World System Theory, reminds us of the importance of Marx’s method and the challenge of disentangling different levels of abstraction, which we outlined in Section 1. Marx deployed mode of production as a particular articulation of forces and relations of production at a highly abstract level in order to characterise historical epochs in their broadest terms (or ‘essence’). As Haldon (1993) and Banaji (2010) point out, the level of abstraction at which the mode of production can be meaningfully used must be distinguished from concrete ‘social formations’. The dispossession of the peasantry in England was but one, interlinked, moment in the transformation of global class relations which ushered in the dawn of capitalism. Attention needs to be paid to the geographically uneven and politically unequal process of primitive accumulation, which to some degree shaped the uneven contemporary geographies of capitalist expansion.

Class struggles waged from above by states and (emerging) capitalist classes to establish an exploitable labour force are an ever-present feature of capitalism. Indeed, much of what is described as the ‘development process’ is part and parcel of subjecting labouring classes to particular forms of (exploitative) work relations: widely documented in recent years across various regions, countries and localities from the garment factories of Dhaka to the i-phone producing factories of southern China, and from the rice-fields of Indonesia to the brick kilns of India (Applebaum and Lichtenstein 2014; Chan and Ngai 2010; Guerin 2013; Hart 1986).

Class relations are mediated in a number of ways including by the state and through the agency of capitalists and labourers acting individually or collectively. States are central players driving the intensive and extensive development of capitalism. Historically, states tend to act in the interests of capital, but not necessarily on behalf of individual capitals. In supporting the broader goals of capitalist development, the state not only attempts to support the accumulation strategies of capitalists, but also has to maintain social stability and ensure that labour can reproduce itself and make its labour-power available as cheaply as possible. In other words, states can have longer-term approaches to supporting processes of capitalist accumulation than capitalists. This may bring it into periodic conflict with the short-term interests of capitalists in general, or with particular fractions of capital – some of which permeate state institutions and shape the actions of the state more than others. In democracies these dynamics are made more complex still by governments seeking re-election. In the run-up to elections they may steer a greater share of public resources towards labour, or they may even press capitalists to temporarily forego a share of their profits. While representing the interests of capital in broad terms, then, the state can also maintain a relative degree of autonomy from it. This means that relations between

capital and the state are less straightforward than the polemical assertion that the state is the ‘executive of the bourgeoisie’ implies, and require empirical as well historical analysis.

Across much mainstream literature concerned with development class conflicts are portrayed as disruptions to, or derivations from, potentially benign processes of change. Within the ‘developmental state’ literature for example, the (strict) management of labour is identified as a prerequisite for fast economic growth and structural change. By conceiving of class conflict from below as a disruption to the development process the (often intended) effect is to ideologically delegitimise such struggles whilst naturalising, justifying and removing from analysis those from above. Within much developmental state literature the manipulation of the labour force is presented in technical/managerial terms – as part of a broader function of state capacity, innovative entrepreneurialism and capitalist dynamism (Selwyn: 2009).

Indeed, ‘developmentalism’ is based on often brutal intensification of the exploitation of labour. Statist approaches to development tend to argue for a more ‘historical’ understanding of the role of the state in processes of industrialisation, but often ignore or decline to investigate and/or theorise the class bases of the developmental state. This is most glaringly apparent in South Korea where industrial workers were repressed and systematically exploited before rising up in the 1980s to overthrow dictatorship (Koo 2001). The story does not end there. Many of these industrial workers are now in regularised work having benefitted from their historic struggles through relatively high wages and stability of employment. However, at the same time the Korean state has mediated the interests of capitalists by providing the legal bases for expanding the *irregular* workforce, who are sometimes even working on the very same production line as regular workers. Irregular workers in Korea are not represented by trade unions and count a disproportionately large number of women among their ranks.^x This snap shot illustrates that class analysis can be used to simultaneously challenge

received wisdom in mainstream development theory (e.g. on the developmental state), and to avoid romanticised notions of the working class (e.g. by examining differential dynamics within labouring classes).

5 Labouring Class Struggles

As noted above, antagonistic relations between capital and labour are constitutive of capitalist development in (at least) two ways. First, whilst class struggles from above are constitutive of the capitalist development process, so too, are struggles from below. If mainstream academic discussions say relatively little about the former, they say even less of the latter. Labouring class struggles can generate tangible immediate developmental gains (better working conditions, higher wages, safer communities). They can force capitalist states to implement degrees of welfare protection for workers that they would not have otherwise done. They can partially re-structure the state and alter its political-economic priorities. And, under some circumstances, they can institute new forms of political-economic rule. Labouring class struggles have been (and we expect them to continue to be) determinants of changes in technology and technique, industrial relocation on a global scale, and even the development of particular energy regimes, with all of their political consequences (Silver 2003; Malm 2013; Mitchell 2011). To sideline class relations and the agency of labour is to truncate and distort our comprehension of processes of global development and change.

Our approach to labouring class agency draws on Erik Olin Wright's (2000) distinction between workers' associational and structural power. Associational power comprises 'the various forms of power that result from the formation of collective organization of workers' (ibid., 962) - usually through trade unions and

political parties but also through smaller less stable organisations. Structural power, which facilitates associational power, accrues to workers on the basis of their position in the production process, and their ability to disrupt it.

Structural power is divided into two sub-categories: marketplace bargaining power arises ‘directly from tight labour markets’, while workplace bargaining power results from ‘the strategic location of a particular group of workers within a key industrial sector’ (Silver 2003, 13, 14). Marketplace bargaining power can take a variety of forms, including possession of scarce skills in demand by employers, relatively high levels of employment and tight labour markets, and the ability of workers to exit the labour market and survive on non-wage income sources. Workplace bargaining power arises from workers’ roles in tightly integrated production processes, where small disruptions can have disproportionate impacts. Whether worker’s structural power is materialised and realised in the form of material gains, is determined in part by their associational power. Can workers’ organisations identify their structural power and take advantage of it to extract gains from states and capital?

Labourers’ ability to act collectively in their interests depends on a range of variables including the global commodity chain that they are located within and where are they are located within it, dynamics of competitive capitalist accumulation, and class relations at a number of levels from the world-historical to the labour process itself. Hence unionised grape-pickers in north-east Brazil use their proximity to western supermarkets to leverage for better working conditions (Selwyn 2009), while migrant construction workers and agricultural labourers, who are often highly segmented and scarcely visible at the margins of global production networks and accumulation processes, lack ‘structural’ and ‘associational’ power (See Wright 2000 for a discussion of the terms, and Pattenden, this volume).

Labouring class organisational forms vary substantially (in large party-linked unions, for example, or smaller less formal organisations), as do the strategies that they pursue. Labour may engage indirectly with capital through the state (in struggles over the distribution of public resources or attempts to increase the regulation of workplaces), or it may engage directly with capital through confrontational means, or as part of processes of compromise and cooperation. As Lebowitz notes, workers' collective gains against capital can be won through 'negating competition, [and] infringing on the "sacred" law of supply and demand and engaging in "planned co-operation"'.^{xi} Such collective actions, capitalists' responses to them, and the institutional formations that occur subsequently, can engender the more progressive features of capitalist development, such as workers' rights, welfare provision, and various forms of democracy.

6: Class Relations of the Current Global Conjuncture

The expansion and intensification of capitalism over the last 40 years has been underpinned by **three major trends** in global labouring class formation. Widespread processes of 'de-peasantisation',^{xii} 'proletarianisation' and urbanisation have re-shaped the global political economy. First, rural-urban dynamics of class formation are particularly apparent in contemporary China, where some 120 million people left the countryside for the towns between 1980 and the mid 2000's – 'the largest migration in world history' (Buck and Walker: 2007, page no.), but also in India where over 50 million are estimated to be circular migrants moving between city and countryside (Bremner 2013; Deshingkar and Farrington 2006, 9). Second, there has been a huge expansion of the industrial working class across the global South. The ILO calculates that the percentage of the world's industrial labour force located in 'less developed regions' expanded from 34 percent in 1950, to 53 percent in 1980, to 79 percent in 2010.^{xiii} The global proliferation of export processing zones (EPZ's), special

economic zones (SEZ's) and, more generally, globally-orientated industrial production, represent the establishment of a 'global factory', where transnational corporations use global value chains and production networks to outsource production and take advantage of much lower labour costs (global labour arbitrage). A third major trend has been the expansion of the numbers of the under- and unemployed and of informal and precarious work. As Mike Davis puts it '[t]he global informal working class...is about one billion strong, making it the fastest-growing....social class on earth (Davis: 2006, 199, 178). The expansion and reproduction of capitalism simultaneously increases the direct wage-labour force (employed workers) and the reserve army of labour (unemployed workers).^{xiv} Marx noted the symbiotic relationship between these two subsections of the labouring class:

The industrial reserve army, during the periods of stagnation and average prosperity, weighs down the active labour-army; during the periods of over-production and paroxysm, it holds its pretensions in check. ... The overwork of the employed part of the working class swells the ranks of the reserve, whilst conversely the greater pressure that the latter by its competition exerts on the former, forces these to submit to overwork and to subjugation under the dictates of capital (Marx: 1990, 792, 789).

As Arrighi and Moore argued, over a century later, '[t]he underlying contradiction of a world capitalist system that promotes the formation of a world proletariat but cannot accommodate a generalized living wage (that is, the most basic of reproduction costs), far from being solved, has become more acute than ever.^{xv}

Accompanying these trends in labouring class configurations are important class dynamics among the capitalists. Serfati (2013) and Sayer (2015) usefully

sketch the new configuration of the capitalist class over the last 40 years. It can be characterised by a greater concentration of wealth (appropriated from ‘the rest’ in both the global North and South), to the extent that the world’s richest 0.001 percent now control more than 30 percent of global financial wealth. Most of these people constitute a new rentier sub-class who are reproduced intergenerationally through inheritances; part of the contemporary era’s ‘financial expansion’ (Arrighi 1994), compared to the post-War era of ‘material expansion’. But they are not alone. Corporate executives and top managers are accumulating personal wealth from the organisations in which they work at unprecedented rates for their occupational status, which ‘along with the authority they exert over the labour process, clearly identify them as members of the capitalist class’ (Serfati 2013, 145). Crucially, almost every state now maintains an apparatus that allows for the reproduction of this extreme minority control over the value produced by the labouring classes. And similarly, the ‘home’ states of big businesses continue to pursue policies that reproduce the dominance of ‘their’ capitalist classes both at home and abroad, including through the WTO and recent negotiations of macro-regional free trade and investment agreements.

These trends in class re-configuration signify a global transformation of social relations which have generated the simultaneous expansion and fragmentation of the world’s labouring classes and the greater consolidation of the power of capitalist classes. As Silver and Arrighi note, the 1970’s economic and political crises of profitability of capital in the advanced industrialised countries was solved by generating a decades-long crisis of labour.^{xvi} Global labour arbitrage and an assault upon the collective organisations of labouring classes globally, have depressed workers’ share of national GDPs and have contributed to global and national concentrations of wealth, on a scale not seen since the 1930’s.^{xvii}

7: Conclusions

This methodological note and the articles collected in this special issue aim to demonstrate the value of class analysis in comprehending processes of development and change. It is our contention that the renewal of the type of class-relational analysis contributes to the ongoing critique of global capitalism and its myriad forms of exploitation. Much mainstream development thinking ignores class relations and (perhaps intentionally) delegitimises the actions of labouring classes to ameliorate their conditions. This introductory article and the contributions to this special issue hopes to demonstrate how class relations are central to development processes, and to illuminate how collective actions by labouring classes for their amelioration deserve more academic attention and political support.

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ⁱ In addition to the editors and contributors to this special issue, the HMWDRS has included Sam Ashman (Corporate Strategy and Industrial Development, University of Johannesburg) and Gavin Capps (Society, Work and Development Research Institute, University of the Witwatersrand), Elena Baglioni (School of Business and Management, Queen Mary, University of London), Penny Howard (Maritime Union of Australia), and Kristian Lasslett (School of Criminology, Politics and Social Policy, University of Ulster).

ⁱⁱ These forms matter – they are not simply 'functions' of the capital-relation. For example, prices, while a phenomenal representation of value, have real effects.

ⁱⁱⁱ See also Kelly (1985: 32. Emphasis ours) who argues that to understanding the ever-changing division of labour we must 'consider the possible role of competition between capitals, as well as conflict between labour and capital'. In other words, 'we need to consider the full circuit of industrial capital as the starting point for analyses of changes in the division of labour: purchase of labour power; extraction of surplus value within the labour process; realisation of surplus value within product markets. *There is no sound theoretical reason for privileging one moment in this circuit* – the labour-capital relation within the labour process – if our objective is to account for changes (or variations) in the division of labour.'

^{iv} Bensaïd (2002) demonstrates how Marx developed and articulated the many determinations that make-up the totality of capitalism over the course of the three volumes of *Capital* (and elsewhere). The relation of exploitation in the sphere of production, the central focus of volume one, presupposes the labourer to be separated from the means of production, and thereby becoming a buyer and seller of commodities. This represents a different level of analysis, which is articulated in volume two. Exploitation also presupposes the social division of labour, through which labour power is in circulation. But the social division of labour is also a consequence of the distribution of surplus value in reproduction as a whole, which belongs to the level of analysis presented in volume three. Finally, as feminist political economy teaches us – none of this can happen without social reproduction and the unpaid labour that is characteristic of this realm of human life under capitalism. Note that these 'determinations' and concepts are theoretical abstractions and cannot be overlaid in a 'blueprint' manner in the analysis of empirical reality. For example, wage-labour can be found empirically in a variety of forms, including being 'disguised' as self-employment, as contended by Banaji (2010) and Bernstein (2010), amongst others – see also contributions by Dinler, Mezzadri, Pattenden, and Pérez-Niño all in this special issue.

^v Lebowitz 'Beyond Capital', 127, emphasis added.

^{vi} Here we are referring to labour in the abstract (i.e. in the social division of labour at the global level), as distinguished from concrete labour which emphasises ‘the quality of ... productive activities ... in specific social, cultural, and institutional contexts that include the relationships and institutions through which labour forces are reproduced and put to use’ (Taylor 2008: 536).

^{vii} These are abstract, qualitative categories that highlight intra-capitalist class dynamics. They need to be mediated by ever-growing levels of social complexity when examining concrete relations and historical dynamics. For example, Marx deployed the category of ‘lease price’ to refer to ground rent in its phenomenal form because actual payments by capital to landed property may include more than surplus profits. For example, actual payment of ground-rent can contain ‘foreign component[s]’ such as a landlord’s capture of a portion of the average profit and/or of normal wages (Marx 1981: 763).

^{viii} We put emphasis on capital and labour in this intro as equally important to understanding capitalism, but we recognise that the articles published in this special issue are mostly on labour. The work of other contributors to the HMWDRS such as Sam Ashman, Liam Campling and Gavin Capps, is more centred on capitalist classes and their accumulation strategies, but they were unable to submit articles.

^{ix} Panitch and Leys 2001, 1x.

^x Draws from interviews by Campling in Seoul in January 2016.

^{xi} Lebowitz ‘Beyond Capital’, 67, citing Marx.

^{xii} It should be underlined that ‘depeasantisation’ is often not a linear process. Households whose landholdings are so small that they primarily work as wage-labourers often keep hold of those landholdings, or in some cases expand landholdings after migrating to urban areas (add ref re China and India).

^{xiii} Smith, ‘Imperialism’, 102.

^{xiv} For a useful discussion of the relations between employed and unemployed workers, see Foster et al., ‘Internationalization’.

^{xv} Arrighi and Moore ‘Capitalist development’, 75.

^{xvi} Silver and Arrighi, ‘Workers North and South’.

^{xvii} Piketty ‘Capital in the Twenty First Century’